COMMANDERS DIGEST

DEPARTMENT OF DEFENSE • WASHINGTON, D.C.

Vol. 7, No. 7 November 15, 1969

Transition Program Linked to Credo

Servicemen Show Interest in DoD, Industry Efforts

The Defense Department's Transition Program, designed to aid the serviceman returning to civilian life cope with his adjustment, is picking up momentum through the combined efforts of defense and industry officials.

Closely linked to the Defense Department's Human Goals Credo, the theme of a recent nation wide conference, held at the National War College, Washington, D. C., Oct. 29-31, was "how to better help each serviceman at the end of his service in his adjustment to civilian life."

The tempo of the Transition Program has quickened since it has been estimated close to one million servicemen are projected to leave the services within the next year.

The conference was attended by about 230 persons, 140 of them coming from local transition sites and separation centers across the United States. Other participants represented American industry and government agencies working with the various programs supporting the Transition efforts. The programs set up by civilian industry run the gamut from providing instructors to on-the-job training at industrial sites. Many of the larger corporations such as General Electric, Lockheed, Ford and General Motors, all of whom were represented at the conference, provide intensive training courses in areas which they see as critical in the future.

It was generally agreed that the greatest need for new talent was at the State and Local level. With this in mind the conferees exchanged ideas aimed at developing in the individual serviceman those skills which he desires to work. Federal agencies such as Health, Education and Welfare, Department of Labor and the Post Office, all have programs to aid Base Transition officials channel those leaving the service into rewarding and useful jobs when they return to civilian status.

Because President Nixon's Administration is concerned with Human Goals — those ideas that would deal with people in and out of the service — they enter into the Transition Program very heavily. Paul Wollstadt, deputy assistant secretary of Defense for Manpower Research and Utilization, explained a few of them:

"A good example of how these Human Goals fit into what we are trying to do in Manpower and Reserve Affairs, and particularly in the Transition program is shown by the fact that four of the five goals have a direct connection with the separation program.

"One of the goals we have been talking about is to attract to the defense service, people with ability, dedication and ability and capacity for growth. We cannot attract that type of person to the defense service establishment in the future unless there is a feeling the Defense Department is interested in what happens to them after they are through with their period of service.

"Another Human Goal is to help each

(Continued on Page 2)

General Goodpaster Reviews NATO Alliance, Sees Need to Continue on 'Dynamic Course'

The greatest danger NATO faces is the possibility of a "declining spiral" of confidence among the nations of the Alliance, warns General A. J. Goodpaster, supreme allied commander, Europe.

In remarks to the International Atlantic Treaty Association, the general said, "This could only result in a decreasing military capability, which, if carried further, could destroy the very credibility of our defensive posture—the key element in our deterrence."

He noted how the "spiral of confidence" and the consequent military posture of NATO grew during General Eisenhower's period of leadership:

"These changes came about, this expanding spiral of defense grew, because all the nations were willing to work and sacrifice together for the common defense. Contribution grew on contribu-

GENERAL GOODPASTER

tion, confidence came from confidence.

"Now over the years we have seen many changes in our defense posture,

(Continued on Page 6)

Transition Program Gains Momentum, Support

(Continued from Page 1)

serviceman at the end of his service and adjustment to civilian life. The connection between that goal and the Transition Program is self evident.

"Still another Human Goal was to contribute to the improvement of our society, including its disadvantaged members by greater utilization of our human and physical resources. And certainly, there is no better way to make a contribution to the improvement of our society than to help the people who are leaving the service find the best possible opportunity for gainful employment."

It was the opinion of the conferees that Transition "is catching on" in both the Defense Department and industry.

Industry representatives were "extremely enthusiastic" about training and hiring men and women who are separating from the military service. Contrary to general belief these companies need employees and are willing to assist the individual get a job.

Mr. Wollstadt said he hoped there will

be a system under which industry, large and small, who are looking for people to hire, will be able to match for the jobs they have with the skills of the people who are coming out of the service with specific skills acquired under Transition training programs. The fact that Transition can play a role has been demonstrated. Numerous military installations have cooperated with national agencies such as the U.S. Post Office in meeting postal personnel demands.

Also an increasing number of sites are devoting considerable energy to the development of police training programs.

Officials Give Views on Transition Program

In his remarks before the Transition Program conferees Vice Admiral William P. Mack, deputy secretary of Defense for Manpower and Reserve Affairs, had this observation about the Defense Department's current cutbacks as it pertains to the Transition Program.

"Money speaks very loudly in the Pentagon, and we are now in the process of taking a large-scale cut in money and people.

"Mr. Packard (David, deputy secretary of Defense) sent a letter to the Service Secretaries saying that no matter what they cut, don't cut human programs, including Transition; don't make people work harder, don't let them go out of the Services unsatisfied and not looked after, cut other things, but don't cut Transition, and don't cut the sort of things that help people. That I think is a wonderful policy, and I want you to know that's behind what you do and if that doesn't show you the interest of the top level management in this Department, I can't think of anything else that would, and I feel very strongly about it.

"I would even if I were not encouraged to feel that way by Mr. Packard and Mr. Laird (Melvin R., secretary of defense) but I think you will find the entire organization now is getting the same feeling. You can see, of course, that the Services who have to contend with cuts, with doing a tremendous job with few people, might, I won't say resist, might not look with great favor toward doing something with this money for people who can no longer contribute to the defense mission which is, of course, essentially what they will be doing by training people to go out.

"But, by knowing that the Defense Department really feels strongly about this, they have examined their priorities, their consciences, and I think, are now seeing that we in the Military Services must contribute to our social order and, I think, you will find that the Services now, in spite of the man-sized problems they face in cutting manpower and money, are going to do the best they can to help Transition do its job."

* * *

Frank M. McKernan, director for the Transition Program under Defense Department's Manpower and Reserve Affairs, gave this summation of the Transition Program conference at the home of the National War College, Fort McNair, Washington, D.C.

"I have three distinct impressions concerning the conference.

"First, I am confident that bringing together in one place so many working people and policy people from the individual Services and those individuals from both the private and public sectors who are giving us support, enabled us to talk freely and frankly about our mutual problems and concerns. This enabled us, both in our panel discussions and in the conferences held in the corridors, to get a better prospective of our overall effort and at the same time to let each other know how they were doing their jobs for those men and women of the Armed Forces who are now returning to civilian life.

"Second, the enthusiasm for the work at hand was an outstanding impression. I believe that everyone present at the conference had not only expressed his own individual enthusiasm but was caught up with the fact that this was a national effort in which others shared their own attitude.

"Third, I believe that the panel discussions did help to focus attention of all the conferees concerning the principal patterns we should follow in the future toward helping us to achieve one of the Human Goals—To help each Serviceman at the end of his service in his adjustment to civilian life—which Secretary Laird has set for us to accomplish.

"It was apparent at the conference that if we can sustain the enthusiasm expressed at the conference, there is no doubt that we can achieve this goal."

Donald Johnson

SecDef Laird Orders Audit of Base Clubs

Secretary of Defense Melvin Laird has ordered "immediate action" to assure that officers' and noncommissioned officers' clubs and open messes are audited at least once a year.

Secretary Laird directed the Secretaries of the Army, Navy and Air Force and the Directors of Defense Agencies to take the action.

Here is Secretary Laird's memorandum:

"Audit of Nonappropriated Funds—Club Operations

"I plan to have issued in the near future expanded policy covering the audit of all nonappropriated fund activities. However, recent events re-enforced the need for immediate increased emphasis on the audit of officers' and noncommissioned officers' clubs and open messes.

"You are therefore requested to take immediate action to assure that such clubs and messes are audited at least annually by independent certified or licensed public accountants. The cost of such independent audits will be financed from the nonappropriated funds of the activities concerned.

"Exceptions to the use of independent auditors may be made only where necessary such as in the case of activities (1) aboard ship, (2) in combat or remote locations overseas, (3) involving expenditures of less than $10,000 annually, provided alternative arrangements for such activities will assure an independent review such as would be provided by a central audit organization."

VA Director Forecasts More Use of G.I. Bill By Servicemen From Ghetto, Rural Areas

The Director of the Veterans Administration predicts an increase in the number of veterans in ghetto areas participating in the benefits offered under the Vietnam Era G.I. Bill.

Donald Johnson said the VA is conducting an "out reach" program by establishing contact offices in the ghettos, and is working with the President's committee on the Vietnam Era veterans, which he heads.

"We look for an upsurge of activity on the part of the ghetto veteran," Mr. Johnson said, "but we are hoping that the study in which we are currently engaged will give us some further answers on how we might approach him . . . and give him the advantages that should be his."

The veteran living in rural America also is a concern of the VA, Mr. Johnson said. He explained:

"We don't want to forget that part of our educationally disadvantaged also come from many parts of rural America, and they suffer from the same problems.

"Our major problem area . . . is how to make contact with the rural educationally disadvantaged veteran and get him to take advantage of the things that are due him. Our problem is, of course, a matter of manpower and a low density of veteran population in the rural areas, as contrasted with the inner city where in one block we can find dozens of veterans to talk to in one afternoon."

Mr. Johnson also made these observations:

"Many words have been spoken and many lines have been written about today's veteran taking part in the G.I. Bill. As the head of the VA, I would tend to dispute some of the things that have been said. These things are relative, we operate in a different time frame that we did in World War II or the end of the Korean War.

"During World War II we had a rapid demobilization, and we had a conversion from a wartime to a peace time economy. We had many men who did not have the availability of jobs. We had a lower educational level among World War II veterans than we have today. All of these factors must be taken into account when we make comparisons.

". . . If you use the criteria of a certain period of time following the enactment of legislation . . . the participation rate is about the same, and, in fact, in certain categories is somewhat higher than for World War II or the Korean War.

"We are not satisfied with the participation rate. We feel it should be higher, for the good of the veteran and the good of America. And we are doing everything we can to reach those veterans . . .

". . . I subscribe to the philosophy this country enunciated many years ago . . . that it is the obligation of every man to serve his country if he is called upon, especially during time of conflict. And with that obligation comes a responsibility on the part of the nation to assure that that individual when he returns to civilian life can pick up from where he left off.

"My advice to young men is to take a look at the tremendous opportunities that lie ahead in this society of ours. The basic fundamental that is involved for success in life ahead is to receive all the education and training that you possibly can. Certainly part of the way is paved for today's veteran through the G.I. Bill."

LIAISON—New German Army Liaison Staff Officer with the U.S. Army Materiel Command Headquarters, Washington, D.C., is Colonel Otto Wohlfeil (above), successor to Colonel Georg von Schweinitz. Col. Wohlfeil also serves as liaison with the Army Combat Developments Command, and Army Computer Systems Command.

U.S. Policy in Latin America—I

THE LATIN POINT OF VIEW

New directions in U.S. policy toward Latin America were announced by President Nixon in a major policy statement on Oct. 31.

"We have heard many voices from the Americas in these first few months of our new Administration—voices of hope, voices of concern, and some voices of frustration," the President said. These voices have requested "fewer promises and more action" and "have told us that U.S. aid programs seemed to have helped the U.S. more than Latin America" and that "our trade policies were insensitive" to Latin American needs.

"It is not my purpose here tonight to discuss the extent to which we consider the various charges that I have listed right or wrong," Mr. Nixon pointed out. "But I recognize the concerns. I share many of them. What I propose tonight is, I believe, responsive to those concerns."

The concerns of the Latin American nations were reflected in a recent speech by Galo Plaza, Secretary General of the Organization of American States (OAS). Below are excerpts from his address of Oct. 7. The President's policy statement will appear in a forthcoming issue of COMMANDERS DIGEST.

In both the United States and Latin America there are symptoms of disatisfaction with the current state of inter-American relations. This should alert us that the time has come to forge new basis for inter-American cooperation for development.

There are —to be sure—those who doubt that there is or should be any special relationship between the United States and Latin America. To me that is an unrealistic view, because the fate of the nations of the New World has become increasingly intertwined over the years and it is destined to become even more so in the future. This is recognized in the treaties of the inter-American system. It is a matter of geography and history.

I do not suggest that the unique relationship that links the U.S. and Latin America should be at the detriment of commercial, cultural, and political relations with other countries or regions. I merely suggest that U.S. cooperation in the development of Latin America should be a priority consideration for that country, based on considerations of enlightened self-interest rather than moral responsibility alone.

Hasn't the U.S. been doing more than its share? This is the attitude of many aid-weary Americans. The answer is no.

Analyzes U.S. Aid

It is true, as the Chairman of the Inter-American Committee on the Alliance for Progress has said, that the contributions of the U.S. have been a real and noteworthy factor in advance made during the decade in all countries of the region, and without that cooperation Latin America would be in worse economic shape than it is.

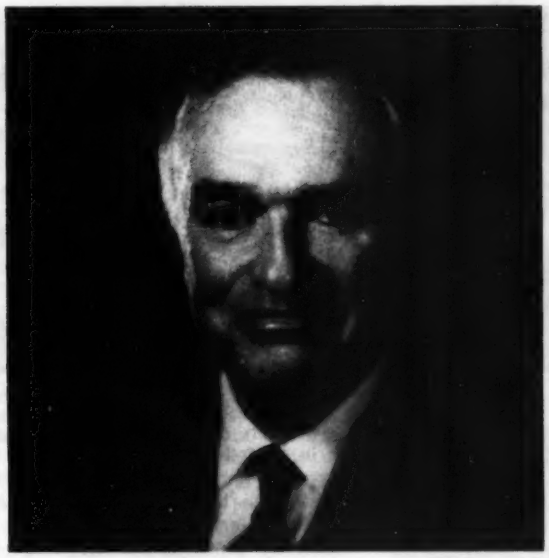
But let us take a closer look at U.S. aid. Since 1965 U.S. financial cooperation with Latin America has been shrinking, while the conditions on loans have become more onerous. Humiliating amendments have been made to the aid authorizations, inspired by internal political considerations. These have soured inter-American relations. The Hickenlooper Amendment, a supposed deterrent against nationalization, is a case in point.

Much is heard, even in sophisticated circles, of the crushing burden of aid on the American taxpayer. Those who lament the burden usually overlook three basic facts:

- First, only one third of a cent of each taxpayer's dollar goes for economic cooperation with Latin American.
- Second, around 80 per cent of all official capital flow have been in the form of loans—not grants—and most of them are repayable in dollars. Fully half of the amount loaned during the 60's has already come back to the United States in the form of payments of principal and interest. Interest alone in the first seven years of the decade amounted to $734 million.
- Third, of the loans made bilaterally by the U.S. Government as well as a large part of those extended by the Inter-American Development Bank, more than 90 cents of each dollars that is lent is spent in the U.S. on U.S. goods and services. Tied loans mean the borrowing countries have no flexibility to shop around for the best buy.

The fact of the matter is, in other words, that the aid burden largely rests on the receiver rather than the donor.

In terms of net capital flow, Latin America is actually aiding the United States. In 1967 there was a net inflow of capital and service payments from Latin America to the U.S. amounting to some $500 million. Taking into account this fact, and the fact that U.S. aid has remained fully tied, it is clear that Latin America made a positive contribution to reducing the



GALO PLAZA

balance of payments deficit of the U.S. Latin America, in effect, shared with the United States some of the sacrifices needed to safeguard the latter's external accounts.

It is imperative that these facts be brought out and publicized widely in the United States. The ignorance that has prevailed on this issue is a source of annoyance to Latin Americans whose debt repayment burden currently eats up one third of their gross capital inflow. The bulk of the burden is on them, not the U.S. taxpayer.

Priorities for the Next Decade

The number one economic objective of Latin America in the seventies will be to penetrate foreign markets and increase and diversify its exports.

Without this, it will be impossible for Latin America to achieve growth rates required for adequate living standards, reasonably full employment, and industrialization. Granted, expansion of exports at the rate I have suggested is no easy task. It will require the concerted internal effort of the Latin American countries, and it will also require a more liberal and far-sighted attitude on the part of the world's major industrialization. Granted, expansion of exports at the rate I have suggested is no easy task. It will require the concerted internal effort of the Latin American countries, and it will also require a more liberal and far-sighted attitude on the part of the world's major industrialized powers, particularly the United States and the European countries.

If the U.S. were to relax its tariff and non-tariff obstacles to imports from Latin America this would have a tremendous impact on Latin America's overall capacity to import. It would do far more to boost U.S. sales to Latin America than "tied" aid.

As for direct foreign private investment in Latin America, there is a need for a clearer definition—without rigid or formal rules or codes—of the terms under which it is welcome. Latin America needs the capital, technology, and market connections that the foreign investor can offer, but it needs them on terms that provide maximum possible stimulation to its own future development and at least cost in terms of the balance of payments.

We must examine new forms of private foreign investment and create what I would call "naturalized" rather than nationalized enterprises—companies that would operate in the full interests of national development and conform to local conditions.

Even presuming more favorable international policies on trade and private investment, there will still be a substantial need in the 70's for public external financial cooperation for Latin American development. What part should come from the U.S.? The General Secretariat of the OAS in a technical study presented to the Inter-American Economic and Social Council in June, has suggested that the U.S. might furnish $1.1 billion to Latin America annually from 1970 through 1975. Although this is more than double the amount made available in recent years, it would not be unrealistic in terms of the commitment made by the U.S. at Punta del Este.

Multilateralism vs. Bilateralism

To put inter-American relations on a new level of cohesion and solidarity, I would call for a major new forward step toward multilateralism, with decisions in the hands of multilateral bodies in which the national interests of each Latin American country are properly represented—bodies with the authority to assess the performance of the borrowers as well as the donors.

Bilateral cooperation is a natural source of friction and annoyance, and whatever political advantages have been scored by the lender on occasion are generally more than offset by the disadvantages. The chances of abuse in aid and the imposition of myriad terms and conditions are infinitely less under multilateralism than under bilateralism.

Latin America's Goals

Relations between the United States and Latin America in the 70's will have to take into account an emerging unity of purpose among the Latin American nations. Today Latin America is more united and more cohesive than ever before. The countries recognize an identity of interest and the need to negotiate and cooperate with the U.S. on the basis of equality, dignity, and reciprocity.

The hammering out of a common bargaining position by the Latin American countries acting in unity, as was done in the recent Consensus of Viña del Mar, can make negotiation within the inter-American sytem more meaningful. It can lead to a stronger partnership between the United States and Latin America, within the OAS.

The Latin American countries seek cooperation, not charity; dignity, not dependence; and interest, not intervention. These desires are just and reasonable, and I firmly believe that they should guide our actions in the Americas in the coming decade. Action is what is called for now. The time for studies and resolutions is past.

AFRTS-LA Shows Production Process To Watts Students

The Armed Forces Radio and Television Service, Los Angeles (AFRTS-LA) teamed with the Watts Training Center (WTC) for a series of summer film training courses.

WTC students were shown training films in editing, planning and production, and a film, donated by the Walt Disney Corp., demonstrating the integration of animation, still photography and live action.

The students also were given a demonstration of AFRTS-LA's film editing equipment, and heard a briefing on the facility, which provides American style radio and television recorded programs to military personnel stationed outside the continental United States.

The eight sessions, held either in the evenings or on Saturdays, were part of an eight week course which also used facilities donated by Metro-Goldwyn-Mayer, the University of Southern California and the Birns and Sawyer Photographic Equipment Co.

AFRTS-LA became involved in the summer training program when WTC's president, William DuBois, asked AFRTS-LA Commander, Colonel Robert Cranston, USA, for assistance.

Col. Cranston agreed to help, citing Secretary of Defense Melvin Laird's June 30 memorandum urging commanders to use the physical resources of their facilities "to the maximum extent possible," and encouraging individuals to voluntarily participate during off-duty hours in domestic action programs.

The sessions were coordinated by Henry Scott, WTC's vice president in charge of education and a television production specialist at AFRTS-LA, and Army Major Raymond D. Boone, a special assistant.

A NAVY FIRST—Vice Admiral Luther C. Heinz (left), Atlantic Fleet Amphibious Force commander and Captain T. J. Richter, Force chaplain, tour the new Torch Museum in the Nansemond Hotel at Norfolk, Va. They were principals in ceremonies opening this first Naval museum in Norfolk.

Review of NATO

(Continued From Page 1)

but regardless of the evolutionary steps that have affected our strengths-in-being or which have changed the strategic guidance under which we operate, the deterrent objective of the Alliance has been achieved. That deterrence, of course, has been based on the visible and credible defensive posture which the Alliance has presented to the forces of the Warsaw Pact. Today, however, we must ask ourselves whether the spiral of defense has not reached a kind of point of equilibrium—and if so, what will be its state tomorrow?"

NATO defense cannot remain static, the general said, but must continue on a "dynamic course."

He continued:

"Yet there is a far greater danger to be faced than simply the attempt to remain static. That danger is the possibility that a declining spiral of confidence among the nations of the Alliance may be set in train."

Gen. Goodpaster recalled the early days of 1968 when Allied Command Europe was faced with a "plague" of national decisions that reduced the number of readily available combat forces, adding:

"Redeployment, reorganization, restructurization—each nation had a different name for what was essentially a reduction in combat power in Europe. They, too, seemed to grow from one another.

"The start of this declining spiral was arrested by the invasion of Czechoslovakia, which, for a while, had quite noticeable results insofar as stopping the reductions was concerned. Indeed, many of the nations began to take actions to improve the over all military posture of those units earmarked for assignment to NATO."

But, apparently, that may be becoming last year's crisis, the general said, noting that the "press of domestic and internal pressure is once again causing the nations of the Alliance to re-examine and challenge the military requirements needed for their own security.

"I do not for a moment deny the importance of those pressures. In the complex world of today, the social problems we face are of tremendous importance, and they must be solved. But it would be a misconception of the problem if the Alliance were to enter the 'third dimension' of social and environmental problems only at the expense of the 'first dimension' of collective security and mutual defense.

"That 'first dimension' has given NATO Europe peace and stability for twenty years. While history does not disclose its alternatives, the fact remains that the Alliance has been successful in its goals of deterrence and defense. It is a perverse logic which says that since these forces have never been used, they are therefore not needed. It is a disturbed reasoning which concludes that because one nation reduces its commitments to the integrated military structure that others should follow suit."

There is a need to rise to a higher level of understanding that focuses on the security values involved, the general said.

Increased Vietnamization Offers Best Prospects for Withdrawals

Deputy Secretary of Defense David Packard doesn't believe there should be any confusion about the purpose or direction of President Nixon's policy in the Republic of Vietnam.

He sees the United States well along the road toward transferring the heavy responsibility in military and other fields which it has been carrying.

He points out that 60,000 American troops are being brought back from South Vietnam, and more will follow in pursuance of this policy.

Deputy Secretary Packard also told an audience of the Defense Supply Association in mid-October that "those who say it will take 10 years to eliminate a substantial American military presence in Vietnam at the present pace of troop reduction are poor mathematicians and very unreliable prophets."

As fast as the South Vietnamese can be readied to assume the burdens which Americans have carried in their country, Americans will be phased out, he said. "And this replacement is being carried out at the fastest, practicable rate."

Explaining the Defense Department's policy, Deputy Secretary Packard said:

"The Vietnamization of the war, of which replacement of American troops is a major aspect, is a new policy initiated by the Nixon Administration.

"It has been made possible by two developments—the change in the nature of the threat to South Vietnam and the growing capacity of the South Vietnamese to cope with the present threat with less and less reliance on the United States.

"The policies pursued by our government have helped mightily to bring about both of these developments.

"The main forces of the enemy have been weakened. The Viet Cong infrastructure has been badly shattered and demoralized. Steady progress has been made in pacifying the countryside, in establishing stable local government, and in equipping the forces needed for local security. More and more, the job in Vietnam has become that of providing local security against small-scale assaults and of building flourishing economic and social institutions which will satisfy the needs and hopes of the people.

"Of all the policies which the United States might pursue, Vietnamization offers the best prospect of rapid reduction of the burden which the United States has assumed in Vietnam without sacrificing what we have been fighting for."

MODERNIZATION—Republic of Vietnam Air Force Lieutenant Colonel Tran Dinh Hoe (right), accepts delivery of AC-47 gunships from U.S. Air Force Colonel Clyde S. Cherry (left), at Nha Trang Air Base. Colonel Harrison H. D. Heiberg assisted during the July turnover of the gunships, marking another step in the modernization and Vietnamization of RVN forces.

Turning to what lies ahead, Deputy Secretary Packard recognized the Defense Department was concerned about Vietnam today, but that it was also looking beyond.

"In the most thorough, searching, and comprehensive assessment ever undertaken," he said, "the National Security Council is considering our defense needs for the future to support our foreign policy objectives.

"Some of the main lines of post-Vietnam policy have been sketched by the President. We shall continue, in collaboration with our NATO allies, to provide a military shield for the areas of Europe included in this Alliance.

"We shall maintain a strong interest in the development of free, stable, and prosperous nations in Asia by doing more to encourage Asian nations to develop the capacity to defend themselves without reliance on American troops. We shall maintain a strong offensive and defensive posture in order to provide deterrence to nuclear war."

Deputy Secretary Packard can see how the frustration is widespread and the desire to end the war in Vietnam is strong in the nation.

He said, however, "the desire to end the war is strong, too, in the Nixon Administration. As Hubert Humphrey said, 'no one is seeking peace more ardently than the President. And the President himself has said he joins with Americans who want to say 'I am for peace'."

Deputy Secretary Packard is skeptical about the usefulness of today's demonstrations. "I think they are more likely to retard than to advance the day when Americans are no longer in combat. For, in my opinion, they encourage the enemy to hang on in the hope that we will pull out of Vietnam so abruptly that we will leave chaos in our wake."

COMMANDERS DIGEST

THIS PUBLICATION CONTAINS OFFICIAL INFORMATION, NEWS AND POLICY, DIRECT FROM WASHINGTON AUTHORIZED SOURCES.

Published weekly by American Forces Press Service, 1117 N. 19th St., Arlington, Va. 22209, a unified activity of the Office of Information for the Armed Forces, OASD (M&RA). Reproduction of content is authorized. Suggested dateline for materials used is WASHINGTON (AFPS).

Sec. Laird Sends Management Improvement Report to President

Explains Evaluation System, Future Additional Savings

Secretary of Defense Melvin Laird has sent to President Nixon a report outlining the Defense Department's improvements in management in Fiscal Year 1969.

Secretary Laird told the President he is convinced that "by applying strong pressures in the right places through specific goals, audited measurements, penetrating analyses and firm, timely decisions, we can continue to raise the quality of our management."

His report showed that since January the Department of Defense has:

—Established a Joint Logistics Review Board, consisting of high-ranking military officials, to review world-wide logistics support to combat forces during the Vietnam-era, to identify strengths and weaknesses and make appropriate recommendations.

—Convened a Blue Ribbon Panel of nationally recognized management experts from outside the government to study the organization and management of the Department of Defense as well as its research and development activities in connection with the procurement of weapons, supplies and other materials, and to suggest reforms.

—Set up a Defense Systems Acquisition Review Council consisting of key defense executives to advise on proceeding with the procurement of major weapons systems at each critical phase in the acquisition process from contract definition to production and deployment.

PURPOSE OF LPM

Mr. Laird said the purpose of the Logistics Performance Measurement and Evaluation System is to:

—Identify those logistics functions that should be more closely watched than others.

—Extract data from those functions to permit top management to see at a glance the progress being made.

—Set annual and optimum goals to stimulate progress.

—Provide analyses of shortfalls.

—Compel management to be prompt and decisive about correcting deficiencies.

At the same time, Mr. Laird said DoD has moved quickly to spotlight those logistics programs that need to "get well" or could be "made better."

He continued:

"Cost reduction programs that spur individuals to innovate savings actions are valuable as far as they go. However, economy is only one part . . . of good management. The kind of economy that arises from efficiency is measured, documented and audited in the Defense Cost Reduction Program.

"Economies recorded in that Program in FY 1969 totaled $1.5 billion—with 83 percent of this amount reported since January. These savings to the taxpayers exceed the FY 1967 total by 44 percent and the FY 1968 total by 24 percent. Moreover, efficiencies made in FY 1969 will save an additional $1.7 billion in FY 1970 and 1971. Therefore, the three-year effect of these FY 1969 cost-reducing actions is $3.2 billion."

Together, the Cost Reduction Program and the Logistics Performance Measurement and Evaluation System are bringing the "closest-scrutiny" to bear on more than 40 important logistics areas, he said.

In concluding his report, Secretary Laird said when he reports next year he expects the record to show that "we have continued to employ vigorously the management improvement discipline of the Cost Reduction Program and the new Logistics Measurement and Evaluation System."

COST REDUCTION EFFORTS—Vice President Spiro T. Agnew presents a citation to Air Force Lieutenant General A. C. Gillem II, commanding general, 3rd Air Division, Guam, for the division's contribution to DoD's Cost Reduction and Management Information Improvement Program for Fiscal Year 1969. Presentation was made in the Pentagon.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.
Price 5 cents (single copy). Subscription Price: $2.50 per year; $3.25 additional for foreign mailing.
☆U.S. GOVERNMENT PRINTING OFFICE: 1969 393/216/S-19